GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1892
ANSWERED ON:29.11.2002
FULFILMENT OF COMMITMENTS BY EXPORT FIRMS
MANSINH PATEL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the process being adopted by the Government to ensure fulfillment of export commitments made by the companies at the time of submitting applications for foreign cooperation;

(b) whether some companies have not fulfilled their commitments regarding exports during the last three years;

(c) if so, the details of such companies; and

(d) the action taken by the Government against those companies?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)
(a) to (d) : As per the extant policy of foreign direct investment, export obligation is applicable in respect of manufacture of items reserved for small scale sector by non small scale industrial undertakings and import of liquor concentrates. Accordingly, the export obligation condition is duly imposed in all such cases. Non-compliance of the export obligation makes the defaulting company liable for action under Foreign Exchange Management Act, 1999 and regulations made there under. All such cases that come to the notice of the Government are referred to RBI for appropriate action under the law.